

EXHIBIT 3

27533PenningtonEricDavid051308

1

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 DELORES A. ARREGUIN, for
4 herself and other members
of the general public
similarly situated,
5 Plaintiff, Case No. C 07 6026
6 vs.
7 GLOBAL EQUITY LENDING,
INC., a Georgia
8 Corporation, and DOES 1
through 10, inclusive,
9 Defendants.

10 ~~~~~

11 DEPOSITION OF
12 ERIC DAVID PENNINGTON

13 May 13, 2008
14 2:54 p.m.

15 Suite 200
2475 Northwinds Parkway
Alpharetta, Georgia

16 Valerie N. Almand, RPR, CRR, CCR-B-531

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1 APPEARANCES OF COUNSEL

2 On behalf of the Plaintiff (via
3 videoconference):

4 LAW OFFICES OF HERBERT HAFIF, APC
5 FARRIS E. AIN, Esquire
6 269 West Bonita Avenue
7 Claremont, California 91711
8 909.624.1671
9 farris.ain@hafif.com

10 On behalf of the Defendants (via
11 videoconference):

12 ROPERS, MAJESKI, KOHN & BENTLEY, PC
13 GREGORY M. GENTILE, Esquire
14 80 North 1st Street
15 San Jose, California 95113
16 408.287.6262
17 ggentile@ropers.com

18 MERRITT & TENNEY, LLP
19 WILLIAM H. MCCLEAN, Esquire
20 Suite 500
21 200 Galleria Parkway
22 Atlanta, Georgia 30339
23 770.952.6650
24 770.952.0028 (facsimile)
25 wmclean@merritt-tenney.com

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1 Deposition of
2 Eric David Pennington
3 May 13, 2008

4 ERIC DAVID PENNINGTON,
5 having been duly sworn, testified as
6 follows:

7 EXAMINATION

8 BY-MR.AIN:

9 Q. Good morning. Can you please state
10 your name and spelling for the record?

11 A. My name is Eric David Pennington,
12 and it's E-R-I-C, David, D-A-V-I-D, and the
13 last name is P-E-N-N-I-N-G-T-O-N.

14 Q. Good afternoon, Eric. My name is
15 Farris Ain. I am the attorney for Dolores
16 Arreguin in the lawsuit of Dolores Arreguin
17 and the class against Global Equity Lending.
18 We're here to take your deposition
19 today, and I have a couple of questions I
20 want to start out with.

21 Have you ever had your deposition
22 taken before?

23 A. Yes.

24 Q. How many times?

25 A. I'd say less than ten.

 Q. Eric, the purpose of this deposition

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1 is regarding a limited issue dealing with the
2 application process that a loan originator
3 goes through, and specifically we're dealing
4 with the plaintiff's application process and
5 the loan originator employment agreement that
6 she would have purportedly signed.

7 I'm going to ask you some questions
8 about the circumstances surrounding the
9 application process and specifically the
10 application and employment of Dolores
11 Arreguin, but before I get to the substantive
12 issues here I'm going to go over some ground
13 rules.

14 I know you've had your deposition
15 taken almost ten times, but I'll lay down
16 some rules just so you understand what's
17 going on here today.

18 In front of you is the court
19 reporter. She's taking down everything
20 that's being said by myself, the other two
21 attorneys and, of course, you.

22 This, although we're in an informal
23 setting, everything here is being asked of
24 you and your answers are requested under
25 oath, under penalty of perjury. And to

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1 facilitate the process I'm going to ask some
2 questions, I'm going to give you time to
3 respond.

4 We have a little bit of a delay in
5 the televideoconference system, so I will
6 allow an extra minute or two there for
7 counsel to insert their objection, so give
8 them a little bit of time before you answer.

9 And I'm entitled to your best answer
10 today. Give me responses that you have
11 knowledge about as opposed to speculations.
12 I don't want you to give me any guesses or
13 speculations.

14 I'll give you the canned book
15 example of giving me an estimate of what that
16 table in front of you, what the dimensions of
17 it are. You could look at it, although you
18 don't have a ruler, you could tell me it's
19 ten feet by four feet, as opposed to the
20 table here in front of me which you cannot
21 see. I don't want you to speculate that it
22 must be the same size as the table you have
23 over there.

24 So unless you have knowledge about
25 your responses to my questions, just let me

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1 know.

2 You're entitled to answer that you
3 don't recall. The events that occurred here
4 are back from 2002, 2003 time period, so if
5 you don't recall that's a perfectly fine
6 answer, just tell me.

7 If my questions are not clear I want
8 you to tell me that you don't understand the
9 question and I will ask it again or clarify
10 what I mean.

11 I don't want you to guess at what I
12 meant by my question because I will assume
13 that you understood my question. Let me know
14 that you don't understand it because I will
15 assume you understood it when you answer.

16 At the end of this deposition the
17 court reporter will prepare a transcript.
18 You'll have an opportunity to review it, make
19 any changes, if there's a name misspelled, of
20 course, that's understood or if there's
21 something wrong, you want to correct, you're
22 entitled to do that prior to signing your
23 deposition transcript under oath.

24 However, if you make any substantive
25 answers, changes, for example from a yes to a

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2 credibility of your testimony with regard to
3 that question or anything else that may be in
4 the deposition transcript.

5 with that being said, I think we've
6 covered the basics for a deposition. Do you
7 have any questions at this time?

8 A. No, I do not.

9 Q. Okay. Is it okay if I call you Eric
10 throughout the deposition?

11 A. That is okay.

12 Q. Or do you -- okay.

13 Eric, did you take any drugs prior
14 or any alcohol prior to this deposition that
15 may affect your ability to answer truthfully
16 today?

17 A. No.

18 Q. Okay. And have you ever been
19 convicted of a felony?

20 A. No.

21 Q. Okay. Eric, what is your current
22 position with Global Equity Lending?

23 A. I do not have a position currently
24 with Global Equity Lending.

25 Q. When were you last employed by

8

1 Global Equity Lending?

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2 A. I was employed with the corporate
3 office of Global Equity Lending for a brief
4 period of time in 2002, I believe it was from
5 February 2002 to July of 2002.

6 Q. Would that be Global Equity Lending
7 or World Lending Group? Do you know?

8 A. At the time I believe the name was
9 World Lending Group.

10 Q. Okay. Do you know when that name
11 change occurred?

12 A. I don't recall.

13 Q. Okay. What did you do for World
14 Lending Group in February of '02 until the
15 end of your employment in July of '02?

16 A. My principal duties were to help set
17 up the company. I hired new employees. I
18 worked with attorneys and HR firms basically
19 to prepare the company to originate loans.

20 Q. Can you describe to me specifically
21 your hiring of new employees process and what
22 you set up?

23 MR. MCLEAN: Let me object. There's
24 been previous testimony, the distinction
25 between corporate employees and loan

9

1 originator employees. Could you
2 distinguish or clarify what you're

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3 referring to?

4 MR. AIN: I'll refer to both at this
5 time because he said -- his testimony
6 was the hire of any employees, so I'll
7 start specific and I'll narrow my
8 questions to the loan originators.

9 MR. MCLEAN: Fair enough.

10 MR. AIN: I just want to understand
11 the overall process.

12 THE WITNESS: Could you repeat your
13 question, please?

14 (Whereupon, the record was read by
15 the reporter as requested.)

16 A. I was referring to corporate
17 employees. I was not retained to hire
18 salespeople employees.

19 I would interview various
20 individuals for open positions and make a
21 determination on whether they could be hired
22 or not.

23 Q. Okay. Did you ever or were you ever
24 involved in the hiring process for loan
25 originators?

10

1 A. For a period of time I was a loan
2 originator myself and, as such, I had several

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3 people in my organization, and if that
4 constitutes hiring then I was involved in
5 that process.

6 Q. Did you go through the application
7 process for a loan originator when you became
8 a loan originator employee for the company?

9 A. I did.

10 Q. Can you describe that process for
11 me?

12 A. I honestly don't recall, as it was
13 several years ago, every step, but I am
14 familiar with the procedure at that time.
15 Would you like to hear that?

16 Q. Please, to the best of your
17 recollection.

18 A. To the best of my recollection the
19 process involves an on-line application where
20 questions are asked and information is keyed
21 into the computer.

22 It also involves the completion of
23 some documents in a paper format, as opposed
24 to an electronic format.

25 It's my recollection that a loan

11

1 originator receives a conditional offer
2 letter -- I don't know if that's the exact
3 terminology -- to work for the company.

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4 Q. Okay.

5 A. And conditioned upon a successful
6 background check and a compliance review and
7 whatever other procedures may have existed at
8 that time, you can become an employee of the
9 company.

10 Q. Okay. Now, this recollection is
11 based on the process you went through as a
12 loan originator, or your subsequent
13 experience with the company preceding
14 application?

15 A. Both.

16 Q. Both? Do you recall specifically
17 what documents you filled out?

18 A. I do not specifically recall which
19 documents I filled out.

20 Q. Do you recall signing a mortgage
21 loan originator employment agreement?

22 A. I don't actually remember signing my
23 agreement, but I am familiar with the process
24 and know that there was one, and I could not
25 have become associated with the organization

12

1 without doing so.

2 Q. Can you describe for me that
3 process?

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4 A. I don't understand your question.

5 Q. You said that prior to becoming an
6 employee there's a process in which you would
7 have had -- a potential employee, a potential
8 loan originator would have had to sign this
9 document.

10 To the best of your recollection
11 what was that process?

12 A. I believe I answered that question
13 in stating that there was an on-line
14 application --

15 Q. Okay.

16 A. -- that was completed. I know from
17 experience that every answer must be -- or
18 every question must be answered.

19 I know that that agreement included
20 an application that could be signed both on
21 line and for a period of time I believe there
22 was an opportunity to sign it with a wet
23 signature.

24 Those documents, either
25 electronically or paper, were submitted to

13

1 the corporate office for their review and
2 determination if an individual, myself in
3 this case, could become an employee of the
4 company.

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5 Q. Do you recall if you signed a
6 physical, what you refer to as a wet
7 employment agreement, or did you go through
8 the Internet website process in accepting
9 that agreement?

10 A. I honestly do not recall.

11 Q. Okay. Do you know the plaintiff,
12 Dolores Arreguin?

13 A. I do not. It is possible I may have
14 met her, but I don't believe I know her.

15 Q. Okay. With that being said, I
16 presume that you were not involved in her
17 application process.

18 A. I do not recall being specifically
19 involved in her application process, as there
20 were many applications.

21 Q. Okay. Where did you work out of
22 when you worked for the company in 2002?

23 A. I don't -- I don't know their
24 address. It was in the Johns Creek area, but
25 I do not recall the street address.

14

1 Q. Johns Creek, what state is that in?
2 Pardon my ignorance there.

3 A. Georgia.

4 Q. Georgia. Okay. Let me turn your

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5 attention to a document that has been Bate
6 stamped GEL 021 through GEL 025.

7 MR. GENTILE: And, again, just for
8 the record, this is the World Lending
9 Group, Inc. Mortgage Loan Originator
10 Employment Agreement that bears the
11 signature of Dolores Arreguin dated
12 7/19/02 on the last page; correct?

13 MR. AIN: Correct.

14 MR. MCLEAN: Also for the record,
15 the Bate stamp numbering is GEL 001
16 through 006.

17 MR. GENTILE: Well, actually I think
18 he was referring to, Bill, the agreement
19 with World Lending Group, 021.

20 MR. MCLEAN: Okay. I misheard. My
21 apologies.

22 MR. GENTILE: Okay.

23 Q. (By Mr. Ain) Eric, do you remember
24 seeing this document prior to today, not
25 necessarily the one Dolores signed, but the

15

1 document in its normal existence?

2 A. This does appear to be the document
3 that existed at this period of time.

4 Q. And we're talking on or about April
5 of 2002.

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6 A. That is correct.

7 Q. Okay. When did you apply for the
8 loan originator position?

9 A. I believe the year was 2002, but I
10 would be speculating for the exact date.

11 Q. Do you recall the month, by any
12 chance?

13 A. I do not. But that could be
14 ascertained.

15 Q. Okay. Does this document in front
16 of you look like the employment agreement
17 that you were required to sign?

18 A. As I stated earlier, I do not
19 specifically remember my agreement, but I am
20 familiar with their systems and procedures,
21 and this does appear to be the document that
22 existed at that period of time.

23 MR. GENTILE: One admonition here.

24 I think we have an agreement that we're
25 not going to go into third-party

16

1 employment practices, et cetera.

2 I mean, he's here basically to talk
3 about the process that was used during
4 the relevant time frame. I don't want
5 to start getting into Mr. Pennington's

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6 personal employment process with any of
7 the entities here.

8 I think we're going to have to start
9 objecting on the basis of his privacy
10 rights. He's here as a person most
11 knowledgeable as to certain designated
12 categories propounded by the plaintiff,
13 and to the extent that they start going
14 beyond the area of Dolores Arreguin and
15 the actual process that was used during
16 this period, I think we're going far
17 afield in irrelevancy.

18 MR. AIN: Well, Counsel, my only
19 concern here is it seems like what he
20 recalls as a PMK may have originated
21 from his own application process as
22 opposed to the process that Dolores
23 Arreguin went through, because it
24 appears that his employment ended right
25 about the time she was applying for the

17

1 job, which I will get to next.

2 But it's going to be very hard to
3 limit my questions because I need to
4 understand the application process that,
5 A, your first witness couldn't give me
6 answers to because she wasn't there, and

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7 I'm not sure what he knows at this
8 point, if he only recalls his own
9 application process.

10 MR. GENTILE: I want to give you
11 some latitude there, Mr. Ain, and
12 certainly understand that you need to
13 explore that. I just want to make sure
14 we understand what the parameters
15 here -- what the parameters are here,
16 and he's here to talk about the
17 application process.

18 To the extent he can separate them
19 out I would rather have him do that,
20 than getting into his own specifics.

21 MR. AIN: Fair enough.

22 MR. MCLEAN: I can short-circuit --

23 MR. GENTILE: Why don't you go ahead
24 and proceed and we'll take it question
25 by question.

18

1 MR. MCLEAN: I can cut short a lot
2 of that if you will allow Mr. Pennington
3 to describe for you the foundation for
4 his knowledge upon which he is
5 testifying as a PMK.

6 MR. AIN: I'm sorry, I got a lot of

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7 feedback on that. Can you repeat what
8 you said? I'm sorry.

9 MR. MCLEAN: Sure. We can cut short
10 a lot of this question and answer if you
11 will allow Mr. Pennington to describe
12 for you the foundation of his knowledge
13 for which he is a designated PMK on
14 specific issues that you've designated.

15 MR. AIN: Okay, that's fair.

16 Q. (By Mr. Ain) Eric, can you please
17 describe to me what you know about the
18 application process on or about April to
19 August of '02 when plaintiff would have
20 applied for a job?

21 MR. MCLEAN: Let me object at this
22 point. That is a substantive question.

23 I was trying to cut short the issues
24 of whether or not Mr. Pennington's
25 knowledge was limited to the time period

19

1 of his employment and cut short a lot of
2 substantive questions about that.

3 I thought you were concerned
4 initially about the foundation of his
5 knowledge. If you want to ask about
6 that, he's prepared to answer. If you
7 want to ignore that, it is your

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8 deposition.

9 MR. AIN: All right. Let's go ahead
10 and ask that first, then.

11 Q. (By Mr. Ain) Eric, tell me about
12 the foundation of your knowledge with regards
13 to the subject matter of the application
14 process here today.

15 A. Well, the foundation of my knowledge
16 probably stems primarily from my occupation.
17 Primarily what I do is I'm a partner in a
18 software development firm, and our firm was
19 retained by both WLG and what is now GEL,
20 what used to be World --

21 MR. MCLEAN: Lending Group.

22 A. -- Lending Group, to design and
23 build and host their software applications.

24 Q. Their software applications?

25 A. Yes.

20

1 Q. What is a software application?

2 A. An on-line sign-up, a web-based
3 sign-up for either company would be an
4 example of a software application.

5 Q. And did this sign-up process also
6 include the process by which a loan
7 originator potential employee would have

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8 applied for the position or a job with world
9 Lending Group at the time?

10 A. Yes.

11 Q. Can you describe for me that
12 process?

13 A. Can you become more specific?

14 Q. How is it that a loan -- a potential
15 employee that would like to become a loan
16 originator, how is it that they go through
17 the website that you designed to apply for a
18 job?

19 A. They would first make an application
20 with World Leadership Group. There is also
21 an on-line application where contact
22 information and a contract takes place on
23 line.

24 Once they've completed that
25 application they are able to sign up with

21

1 what is now Global Equity Lending and what
2 was then World Lending Group.

3 Q. Is World Leadership Group set up
4 specifically to accept on-line applications
5 for World Global Lending and GEL, who I'll
6 refer to from now on as the defendant, you
7 know, absent the name change, or did they
8 also do so for other loan companies?

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9 A. World Leadership Group to my
10 knowledge, and this may not be extensive in
11 this area, primarily did business with the
12 defendant.

13 Q. Okay. What is it that World
14 Leadership Group does?

15 A. Could you be more specific?

16 Q. What is the -- other than sign up on
17 their website, do they conduct any business?

18 A. I know that they do a training,
19 leadership training, motivational training.
20 They are the multilevel arm of the
21 organization.

22 Q. Do you know if they're a subsidiary
23 of World Lending Group?

24 A. I do not.

25 MR. GENTILE: I'll object to the

22

1 extent it calls -- I'll object to the
2 extent it calls for a legal conclusion.

3 MR. MCLEAN: We're also getting a
4 little far afield from the authorized
5 scope of inquiry.

6 Q. (By Mr. Ain) Did you set up World
7 Lending Group's website?

8 A. Not personally, but my company did.

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9 Q. Okay. What about the World
10 Leadership Group? Do they have a website as
11 well?
12 A. They do.
13 Q. And is that one and the same for the
14 purposes of the application process of the
15 defendant?
16 A. In my opinion --
17 MR. GENTILE: I'll object, vague.
18 MR. MCLEAN: Go ahead and answer if
19 you can.
20 A. In my opinion it is not.
21 Q. Okay. So if I was to apply for a
22 job at the time period of April or January of
23 '02 until -- or whenever this website was set
24 up until August of '02, how would I go about
25 applying for a job as a loan originator?

23

1 A. You would be required to complete an
2 application with both World Leadership Group
3 and the defendant.
4 Q. Okay. Now, would I -- of course,
5 we're speaking hypothetical. Do I or any of
6 these loan originators ever become an
7 employee of World Leadership Group?
8 MR. GENTILE: I'm going to object.
9 It calls for a legal conclusion. I
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10 think it's clearly irrelevant to the
11 issue framed by the Court.

12 MR. AIN: Well, Counsel, you've
13 produced some contracts with World
14 Leadership Group that my client has
15 signed, and I'd like to just understand
16 what significance these documents have
17 in relationship to the defendant, and,
18 you know, if this was submitted at some
19 point as the contract in which she
20 signed an arbitration agreement, I'd
21 like to know what relevance this has to
22 the defendant and the plaintiff, so I'd
23 like to just explore that to the extent
24 that we could figure out if she's an
25 employee of World Leadership Group and

24

1 who World Leadership Group is as she
2 signed some documents with them on the
3 date that she was going through the
4 application process.

5 MR. GENTILE: Again, I don't think
6 this has anything to do with what his
7 designation is here as a PMK. He's
8 designated here to talk about a process,
9 not to talk about the specific company.

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10 why don't we take it question by

11 question and see if you're veering

12 further off base?

13 MR. AIN: Okay, that's -- I'll try

14 again here.

15 Q. (By Mr. Ain) Eric, why would I need

16 to apply to world Leadership Group? For what

17 purposes am I submitting an application with

18 them?

19 A. That's not within my knowledge.

20 Q. Okay. Let me draw your attention to

21 a document that is Bate stamped GEL 012

22 through GEL 016.

23 MR. GENTILE: For the record, folks,

24 this is the world Leadership Group, Inc.

25 Associate Membership Agreement; correct?

25

1 MR. AIN: Correct.

2 MR. GENTILE: Okay.

3 Q. Eric, have you seen -- I'll give you

4 a minute to review it. Have you seen this

5 document before?

6 A. Prior to today I have not seen this

7 specific document, no.

8 Q. What about an unsigned copy of the

9 same?

10 A. Yes, I believe I have.

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11 Q. where would that be?

12 A. It was part of our duties as the
13 firm that designed and hosted the web-based
14 sign-up that this contract would have been
15 part of that web-based sign-up.

16 Q. Do you know why?

17 A. Not other than that we were asked to
18 make it part of the sign-up.

19 Q. Okay. Let's continue with the
20 application process. Let's put aside world
21 Leadership Group right now and describe to me
22 the sign-up on the website that a potential
23 loan originator employee would go through.

24 MR. GENTILE: And, Counsel, just for
25 clarification, I'm assuming you're

26

1 talking about the relevant period in
2 which Ms. Arreguin signed up. Is that
3 what we're talking about?

4 MR. AIN: Yes.

5 MR. GENTILE: Okay. We're talking
6 April 2002 time frame, then. Is that --

7 MR. AIN: To about August of '02,
8 yes.

9 MR. GENTILE: Okay.

10 A. And could you repeat the question

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11 again quickly?

12 Q. Just describe for me the application
13 process that a potential employee seeking a
14 job of loan originator would go through on
15 the website that you helped or your company
16 helped design.

17 A. I'll begin with a disclaimer that
18 the process was fairly dynamic, meaning --

19 Q. Okay.

20 A. -- that as time has gone on, more
21 and more of the process has become electronic
22 or paperless, whereas earlier in the
23 company's history there was a combination of
24 electronic and paper in the application
25 process.

27

1 Q. Do you recall what was in the paper
2 process?

3 A. I don't recall where I could narrow
4 it down to a period of a few months in 2002.

5 Q. Please do.

6 A. My answer was that I do not recall
7 sufficiently so that I could narrow it down
8 to this time period in 2002.

9 Q. Okay. What about as far as the
10 World Lending Group Mortgage Loan Originator
11 Employment Agreement, which you should have

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12 in front of you as GEL 021 through 025. Was
13 this something that was provided on line or
14 in paper format to the potential employee?

15 A. It was on line, and there was a
16 period of time where the process may have
17 been duplicated, where there was both an
18 on-line form and, if the applicant requested,
19 a paper version of the form.

20 Q. What do you mean by requested?

21 A. It's my recollection that the
22 applicant had an opportunity early in the
23 history of the company to do part of this
24 process manually.

25 And I don't recall if that meshes

28

1 with exact dates in question, but I do know
2 it was approximately this time period.

3 Q. Okay. Let me draw your attention to
4 the last page, Page 25. On there there is a
5 physical signature of the plaintiff, Dolores
6 Arreguin.

7 Does that help you recall whether
8 this document, during that time period of
9 April to here it would be July of '02,
10 whether this was provided on line,
11 physically, or both?

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12 A. well, this is an obvious example of
13 someone who signed the document with what I
14 call a wet signature. It was actually signed
15 by the client, as opposed to an electronic
16 signature.

17 This does not mean that she did not
18 also sign electronically.

19 Q. Okay. Were you involved in the
20 application process on or about the time that
21 Ms. Arreguin was applying for the job?

22 A. Yes.

23 Q. So you were still involved in July
24 of -- July 19th, 2002.

25 A. Yes.

29

1 Q. Okay. Can you describe to for me
2 the process by which the plaintiff, Dolores
3 Arreguin, would have received this document?

4 MR. MCLEAN: Objection, calls for
5 speculation.

6 MR. GENTILE: Yeah, I'll join in
7 that as well. When you say "this
8 document," are you talking about it
9 generally or are you talking about it
10 specifically? Because I believe we had
11 testimony from Ms. Arreguin yesterday
12 that it was provided to her by a

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13 Mr. Carlton Inlow.

14 MR. MCLEAN: Seconding that -- I'm
15 sorry, seconding that, the other part is
16 that Mr. Pennington is in no position to
17 know how Ms. Arreguin received the
18 document.

19 MR. AIN: Okay. Let's disregard
20 Ms. Arreguin and let's go general here.

21 Q. (By Mr. Ain) Eric, how would an
22 employee receive a document, this particular
23 document, and provide a wet signature in the
24 application process?

25 A. I believe that the document -- and I

30

1 know this was true at a period of time.
2 Again, I don't recall what exactly was
3 available during a specific four-month period
4 in 2002. But I do know that on or about this
5 date this document was available to an
6 applicant to download. In other words, from
7 the website they could download the document.

8 There was also a period of time
9 where the manual -- or, excuse me, the paper
10 documents required in an application were
11 sent to the applicants.

12 I don't have knowledge at this

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13 specific time frame if the contract was part
14 of the document that would have been sent on
15 a regular basis to an applicant who needed to
16 complete the other forms that could only be
17 done in a paper format.

18 Q. Okay. Let's turn to the website
19 application process. At what point in the
20 application process would this document, the
21 World Lending Group Originator Employment
22 Agreement, be provided to a potential
23 employee?

24 A. Is your question a chronological
25 question?

31

1 Q. Yes. Or let me have you start by
2 describe -- actually, here, let me make this
3 easier on you.

4 If you turn, if you could please
5 show him the supplemental declaration of
6 Sandra Croteau and the exhibits attached,
7 maybe that will help with your recollection
8 as to what I'm going to ask you about, and
9 that's the application process on the
10 Internet that an employee or a potential
11 employee would go through. That's starting
12 with Exhibit A, Page 1 through --

13 MR. MCLEAN: The supplemental
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14 declaration that we have does not have,
15 for some reason, the exhibits.

16 I'll tell you what I do have. It's
17 a WLG loan originator agreement that was
18 taken obviously as a screen shot, if
19 that is what you're referring to. I'll
20 present it to Mr. Pennington.

21 MR. AIN: There's actually some
22 other documents that are the printouts
23 of the website, World Leadership Group's
24 website employment application, and I
25 kind of wanted to use it to the extent

32

1 that could help him recall the process.
2 Q. (By Mr. Ain) But if we don't have
3 it then, Eric, I'll ask you just to describe
4 for me the chronological order of what comes
5 up on the website during an application
6 process and where this employment agreement
7 falls in that process.

8 A. I'll need to just repeat my
9 disclaimer that early in the company's
10 history this process was very dynamic, and
11 exactly what existed on line during a
12 four-month period in 2002, I don't have a
13 good recollection.

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14 I can tell you that the contract was

15 always part of the on-line agreement.

16 Q. Or the on-line application
17 process --

18 A. Yes, sir.

19 Q. -- you mean. Okay. Did the
20 application process allow for a potential
21 employee to negotiate any of the terms of the
22 agreement?

23 MR. GENTILE: I'm going to object as
24 vague and ambiguous. Let me object here
25 as vague and ambiguous.

33

1 when you say application process,
2 are you talking about the on-line
3 application process? Is that correct?

4 MR. AIN: Yes. Yes.

5 MR. GENTILE: And how is that
6 relevant to the issue of Dolores
7 Arreguin, since we already know that she
8 signed, she has a wet signature here on
9 the World Lending Group Loan Originator
10 Agreement?

11 MR. AIN: Well, there's a
12 possibility that she also, as defendant
13 has provided, she may have also reviewed
14 this document on line and potentially

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15 clicked, "I accept," and to the extent
16 that there may be two agreements I'd
17 like to cover the process in which that
18 agreement would have been reviewed and
19 acknowledged, if at all, during the
20 website application process, because
21 Eric just testified that has always been
22 a part of the process.

23 MR. GENTILE: Okay, that's fine.
24 But why don't you focus the question on
25 that specific issue? Maybe you could

34

1 reask the question.

2 MR. AIN: If I could have my first
3 question reread, I'm not sure what was
4 wrong with it.

5 (Whereupon, the record was read by
6 the reporter as requested.)

7 A. There was no technical editing type
8 of tool where an applicant could strike or
9 make additions to a contract on line.

10 Q. And how is it that this document is
11 accepted on line?

12 A. It is a three-part process to accept
13 a document with an electronic signature. The
14 process involves, one, checking a box that

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15 says something to the effect that, "I agree
16 to the above terms and conditions," and I'm
17 very loosely quoting that. But it's an
18 acknowledgment where you check that you've
19 read or accept.

20 The second part is that the
21 applicant would type his or her name in a
22 signature field.

23 And the third part is the applicant
24 would click a button that said something to
25 the effect that, "I accept," or, "I agree."

35

1 Q. In this process is there a way to
2 determine whether the applicant scrolled
3 through the agreement as opposed to just
4 clicking, "I accept"?

5 A. The only way to get to the
6 three-part process that I just described was
7 to scroll to the end of the agreement and
8 complete those three steps.

9 Q. Okay. Let me ask my question a
10 different way. Nowadays it seems to be that
11 there are some agreements on line that
12 instead of allowing you just to click, "I
13 accept" at the bottom and submit and move on
14 to the next website that you're trying to
15 view, it seems like some websites will

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16 require you to actually scroll down as if
17 you're actually reading the application, or
18 the, sorry, the agreement.

19 Was your website set up one way or
20 the other?

21 A. Yes. while we cannot guarantee an
22 applicant read the agreement, it does require
23 that they scroll to the bottom of the
24 agreement to complete the on-line signature.

25 Q. Okay. And if they choose not to

36

1 agree to the agreement or any of its terms,
2 what happens?

3 A. The process terminates. They cannot
4 continue.

5 Q. Do you have any knowledge with
6 regard to the process by which a wet
7 signature is obtained on the loan originator
8 employment agreement?

9 MR. GENTILE: Object, asked and
10 answered.

11 A. I do believe I answered this
12 question by stating that on or about this
13 period of time it's my recollection that an
14 applicant could download from the website a
15 contract document, and I believe I also

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16 previously stated that an applicant could
17 request a printed copy of the form that could
18 be mailed to them.

19 Q. Okay. Now, was it a requirement
20 that a loan originator employment agreement
21 be printed out, physically signed and
22 provided to the company?

23 A. There may have been a period of time
24 where that was required, but that is not an
25 area of my knowledge.

37

1 Q. Okay. Let me just ask one last
2 question in this area. Eric, if you look at
3 that one document, GEL 21 through 25 and GEL
4 26 through 34?

5 A. I have in my hand Bate stamped GEL
6 21 through 25 and Counsel is looking for the
7 other one.

8 Q. Okay. While you're looking at the
9 one you have in front of you, on Page 25
10 there's a wet signature.

11 Do you know whether the plaintiff
12 would have printed this out from the on-line
13 website and provided it, or could this have
14 been provided to her physically to fill out?

15 A. I don't believe I can tell by
16 looking at this.

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17 Q. Do you have the other documents yet?

18 A. Yes, I do.

19 Q. It appears, and, you know, I could
20 be wrong, but to the best of plaintiff's
21 recollection what looks like here is that she
22 filled out some forms on July 19th of 2002,
23 she physically filled these out, and it
24 doesn't appear that they were obviously
25 completed in typed format on the Internet.

38

1 Do you have any knowledge of how the
2 application process with regards to these
3 documents existed at the time?

4 A. I missed part of your question.
5 There was a little static. Could you repeat
6 it?

7 (Whereupon, the record was read by
8 the reporter as requested.)

9 A. Not anything more than I've already
10 responded, that the applicant may have
11 downloaded these documents, completed them
12 and sent them in.

13 Q. When you say "sent them in," where
14 would she have sent them in to?

15 A. To the home -- corporate
16 headquarters, the home office.

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17 Q. were there any recruiters employed
18 at the time that Ms. Arreguin was applying
19 for a job?
20 A. I'm not sure -- what's a recruiter?
21 Q. There's a possibility that a
22 recruiter by the name of Carl Inlow may have
23 physically provided the plaintiff with these
24 documents to fill out. Are you aware of such
25 a process during the application for a job

39

1 during this time period?
2 A. I am not. That was not my area of
3 expertise.
4 Q. Okay. These other documents, Page
5 26, GEL 26 through, are these documents
6 available on line at the time period of 2002,
7 April to July 2002?
8 A. Again, I don't have a recollection
9 during this four-month period which documents
10 were available on line to download.
11 Q. Is there any way you could ascertain
12 that answer from looking at any of them?
13 A. No, I don't believe there's any way
14 to tell if a document like this was a PDF
15 document that was downloaded off the Internet
16 or not.
17 Q. Okay. Let us turn back to the
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18 employment agreement for a minute, which was
19 the GEL 21.

20 If this document was to be provided
21 on the Internet, I presume it would pop up
22 for an applicant to review?

23 A. This document would be on the screen
24 in a web-based format for the applicant to
25 view, yes.

40

1 Q. What if an applicant does not agree
2 with the terms? Does the application process
3 provide for the applicant a process by which
4 they could contact the potential employer and
5 discuss or negotiate the terms of this
6 agreement?

7 A. The actual on-line application was
8 just you signed it or you didn't, and if you
9 did not, the process ended.

10 I could not give you testimony
11 whether she could call and negotiate the
12 contract.

13 Q. The deponent, the witness just
14 before you testified that there was a help
15 desk number that could be called to seek
16 assistance in the application process. Is
17 that accurate?

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18 A. Again, in the time period in
19 question I couldn't tell you if there was a
20 phone number posted on the website, but it is
21 entirely possible.
22 Q. Does that process -- actually, she
23 referred to it as customer support -- does
24 that option exist today?
25 A. I can only tell you that there is a

41

1 customer support department and I believe
2 there are access numbers on the website which
3 provide directions on how to contact
4 individuals.
5 Q. What would be the purpose of
6 contacting some of these individuals as it
7 relates to the application process?
8 MR. GENTILE: Objection, vague,
9 overbroad, calls for speculation.
10 Q. Go ahead and answer if you can.
11 A. What is the time period you're
12 asking about?
13 Q. Just generally, the entire
14 application process to the extent that it
15 remained the same. So let's say the
16 support -- let's say the support system
17 existed, what would I call to ask about?
18 A. That's not my area of expertise. I

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19 don't know.

20 Q. Could someone call in to customer
21 support during the 2002 period and ask
22 questions about the application process?

23 A. Was your question could someone?

24 Q. Yes.

25 A. I don't recall.

42

1 Q. What about at any time during your
2 involvement with the defendant?

3 A. I really can't give you a good
4 answer on why people call the customer
5 service department.

6 Q. Could they call in to talk to a
7 recruiter or a representative of the
8 defendant to discuss the terms of their
9 employment agreement?

10 A. I don't know.

11 Q. Do you know when World Lending Group
12 changed its name -- and I may have asked you
13 this already -- to Global Equity Lending?

14 A. You did ask, and my response was
15 that I did not know.

16 Q. Okay. After July of 2002 when your
17 employment ended with defendant, where did
18 you continue to work thereafter?

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19 A. I returned to my firm.
20 Q. What firm is that?
21 A. Turnkey Technology.
22 Q. So you were specifically hired or
23 contacted by defendant to set up this process
24 from February of '02 to July of '02?
25 A. Yes.

43

1 Q. Did this website require any
2 maintenance or changes after July of '02?
3 A. Yes.
4 Q. Do you know who conducted that
5 maintenance or changes to the website?
6 A. The websites can change on almost a,
7 well, multiple times a day, so you'd probably
8 need to be more specific.
9 Q. If there's an update, I believe
10 there's an annual update process which will
11 include a new or modified employment
12 agreement. Who would make those changes to
13 the website to provide an updated agreement,
14 or any other changes, for that fact?
15 A. Any change would be requested by our
16 client and a member of my staff would make
17 the appropriate changes.
18 Q. When you say staff, would that be
19 other employees at Turnkey Technology?

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20 A. That is correct.

21 Q. So after July of '02 your firm was
22 still retained to provide other services in
23 relation to defendant and their website
24 application process.

25 A. That is correct.

44

1 Q. And is that relationship still in
2 existence today?

3 A. It is.

4 MR. AIN: Let me take a three-minute
5 break and then I'll come back with some
6 more questions.

7 Can we go off the record?

8 MR. GENTILE: Sure.

9 (Recess.)

10 Q. (By Mr. Ain) I have some more
11 questions for you here, Eric.

12 Along with the application process
13 on line is an applicant required to submit a
14 payment of any sort?

15 A. Generally an applicant is required
16 to submit a payment.

17 Q. In what amount?

18 A. The amount has changed over the
19 years. At the time period in question it's

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20 my recollection it was between 100 and \$150.

21 Q. Do you know what that's supposed to
22 cover?

23 A. I do not.

24 Q. Or what's the purpose?

25 A. I do not.

45

1 Q. Was there another -- go ahead,
2 sorry.

3 A. I just answered I do not.

4 Q. Okay. Was there another payment
5 that went to world Leadership Group?

6 A. There was.

7 Q. And what about that payment? Do you
8 know the purpose of that amount paid to world
9 Leadership Group?

10 A. I do not.

11 Q. Have you had a chance to review the
12 declaration of Sandra Croteau dated I believe
13 it's March -- January 16th, sorry?

14 A. I believe I saw this briefly upon
15 arriving at the offices here today.

16 Q. Okay.

17 A. Would you like me to read it?

18 Q. Please do, yes.

19 A. All right.

20 Q. Attached to that declaration is
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21 Exhibit A, which is not in front of you, but
22 we are all in agreement that it is a document
23 Bate stamped GEL 001 through 006. Can you
24 take a look at that for me?

25 A. All right, I've looked at it but not

46

1 read it.

2 Q. That's fine. The declaration of
3 Ms. Croteau describes the process by which
4 Dolores would have reviewed and accepted,
5 purportedly, this agreement. However, this
6 agreement is with Global Equity Lending,
7 which did not exist in April of '02.

8 How would you determine what
9 employment agreement existed at the time in
10 the on-line application process?

11 A. The date of the signature would need
12 to be determined and then the company, our
13 client, would provide a sample of the
14 agreement that existed at that period of
15 time.

16 Q. Do you know what agreement existed
17 at that time?

18 A. I do not know which version of the
19 agreement existed at that time.

20 Q. Clearly it isn't GEL 001 labeled

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21 Global Equity Lending; is that correct?

22 MR. GENTILE: Objection,
23 argumentative.

24 A. I --

25 Q. To the extent that you know.

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1 A. My earlier testimony was I did not
2 know when the name changed, so I cannot
3 answer your question.

4 Q. In April of '02 when you were
5 employed at the company what was the name of
6 the company?

7 A. I don't recall if the name had
8 changed at that point.

9 Q. Okay. I'll represent to you that in
10 her supplemental declaration Ms. Croteau
11 testified that the name change was November
12 of 2003, which we believe is accurate, or
13 about 2003 is the time period.

14 So why would this document be
15 labeled Global Equity Lending and believed to
16 be the document that plaintiff signed in
17 April of '02?

18 MR. GENTILE: I object as compound,
19 argumentative, vague and ambiguous and
20 assumes facts not in evidence.

21 Q. (By Mr. Ain) To the extent that you
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22 can answer, Eric, can you help us understand
23 how this mistake could have been made?

24 A. I cannot.

25 Q. Okay. Let us turn back to the

48

1 document GEL 21 through 25.

2 A. I have it.

3 Q. During the application process back
4 in February of 2002 till about July of 2002
5 when you were with the company and when
6 Dolores applied for a job, was there any
7 system or protocol set up to allow for an
8 applicant to call anyone at the company and
9 discuss the terms of this agreement?

10 MR. GENTILE: I'm going to object.
11 It's asked and answered now, I think
12 it's twice.

13 MR. MCLEAN: I second that
14 objection.

15 A. I don't recall at the time period in
16 question what, if any, customer service
17 department existed, nor do I know if they
18 would have handled calls dealing with terms
19 of a contract.

20 Q. At any time period was there a
21 customer service representative available?

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22 A. I know that GEL, or that the company
23 has a customer service department. I'm not
24 familiar with what they do.
25 Q. Okay. Could I have you take a look

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1 at the supplemental declaration of Sandra
2 Croteau?
3 A. I have it.
4 Q. Please review, just I'll make it
5 easy on you here, Paragraph 5 through 9, and
6 let me know when you're done.
7 MR. GENTILE: And just for the
8 record my understanding is the witness
9 does not have, and correct me if I'm
10 wrong, the Exhibit A that's to
11 Ms. Croteau's supplemental declaration.
12 MR. MCLEAN: That's correct.
13 MR. AIN: That's correct. I wanted
14 to ask him some questions with regard to
15 these website pages and we don't have
16 them, apparently.
17 A. Did you say through Paragraph 7?
18 Q. Nine, please.
19 A. I'm done.
20 Q. Do these paragraphs accurately
21 describe the application process as you know
22 it back in April of '02 through July of '02?

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23 A. I'll have to stick with my testimony
24 that during the four months or so in 2002 I
25 don't have personal recollection of exactly

50

1 what the process was at that period of time.

2 Q. Okay. Could Ms. Arreguin have just
3 submitted the wet signature contract but not
4 have reviewed and accepted whichever
5 employment agreement existed at the time on
6 the Internet during her application process
7 in the year 2002?

8 MR. GENTILE: Objection, calls for
9 speculation, vague and ambiguous.

10 A. My recollection of the technology
11 was that you could not complete an
12 application on line without accepting the
13 agreement.

14 Q. And do you have -- we've seen a
15 couple of documents here, the one that starts
16 with GEL 001 and the one that starts with GEL
17 021. Can you ascertain which document would
18 have been posted on the Internet at that
19 time, if either?

20 A. Looking at the documents, I cannot.

21 MR. AIN: All right. Let me take --
22 I am missing one document in front of

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23 me. Let me take a two-minute break and
24 I'll be right back.
25 MR. GENTILE: Okay.

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1 (Recess.)
2 Q. (By Mr. Ain) Eric, do you have any
3 knowledge with regard to Ms. Arreguin's
4 review and signing of the employment
5 agreement that we've been referring to as the
6 wet signature?
7 A. I do not have any personal knowledge
8 of Ms. Arreguin's signing of the document.
9 Q. And just a follow-up question just
10 to be clear: You don't have any knowledge of
11 any facts surrounding the circumstance under
12 which she signed this agreement where she was
13 and who she was with.
14 A. I do not.
15 Q. Okay. And as far as the electronic
16 signature, you do not know which document she
17 would have reviewed and accepted during her
18 application process in April of 2002 to July
19 of 2002, if any.
20 A. The process described by Ms. Croteau
21 is an accurate process. What I can't do is
22 just say that that was the exact process on
23 April 8th of 2002, for example. But she

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24 describes a process accurately, and it was on
25 or about the time period in question.

52

1 Q. Do you have any specific knowledge
2 with regard to the application process that
3 Ms. Arreguin went through?

4 A. I do know that --

5 Q. Specifically whether -- go ahead.

6 A. I do know that Ms. Arreguin
7 electronically signed a contract.

8 Q. Do you know what contract that is?

9 A. No. On the technical side what we
10 have is a date down to the millisecond that
11 the contract was accepted. It would then be
12 the responsibility of our client to say,
13 "Here's the contract that existed on that
14 date."

15 Q. Okay. Now, do you also understand
16 that what was produced without an electronic
17 signature on it is not the correct contract,
18 GEL -- we're referring to GEL 001 through
19 006?

20 A. I don't have any personal knowledge
21 on how this was produced, who produced it and
22 the accuracy of this document.

23 Q. But it is your belief that such an

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24 employment agreement would have existed in
25 2002.

53

1 A. Yes, it is my belief.

2 Q. And I'll be more specific. On the
3 website there had to have been an employment
4 agreement that an applicant is required to
5 accept.

6 A. That is correct.

7 Q. During your application process do
8 you recall seeing such an employment
9 agreement?

10 A. No. I believe as I stated
11 previously I really don't remember my
12 specific experience.

13 MR. AIN: Okay, all right. I am
14 done questioning this witness. I'll
15 reserve my right to seek further
16 testimony in the future if deemed
17 necessary with regard to the issues
18 we're dealing with here, specifically
19 Plaintiff's's application process and
20 the documents she would have signed
21 which he has no knowledge about, we're
22 talking about, specifically, the wet
23 documents.

24 And, further, if another employment
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25 agreement is later produced that would

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1 have existed on this website on or about
2 April of '02 through July of '02 then I
3 would like to seek a further deposition
4 with regard to the testimony of a person
5 most knowledgeable on that area, because
6 it seems like the witness's recollection
7 and his knowledge is somewhat limited,
8 as he's not familiar with the issues the
9 Court wanted us to address, specifically
10 whether the plaintiff accepted the terms
11 of this agreement, other than the fact
12 that she would have gone through this
13 application process on the Internet, for
14 which we don't have an existing
15 agreement from that time, and the only
16 agreement we have is one that she
17 physically signed to which he has no
18 knowledge about.

19 with that being said, I'll conclude
20 the deposition.

21 MR. GENTILE: I'm sorry, Bill?

22 MR. MCLEAN: Go ahead, Greg.

23 MR. GENTILE: No, that's your
24 prerogative. I'm not going to agree

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with your position but you can do

55

1 whatever you feel you need to do.

2 As far as I'm concerned we produced
3 the person most knowledgeable. If you
4 feel he doesn't measure up to what we
5 expected then that's an argument you're
6 going to have to make to the Court.

7 I think we've provided you with the
8 proper folks, and we'll take it up after
9 the deposition, if there's an issue
10 there.

11 I assume we have the same
12 stipulation in effect with respect to
13 the review and signature of the -- for
14 the changes of the deposition?

15 MR. AIN: Yes, the same as we just
16 did for Ms. Croteau.

17 MR. GENTILE: Okay, very well.

18 MR. AIN: Thank you, gentlemen.
19 We're off the record.

20 (Whereupon, the deposition was
21 concluded at 4:34 p.m.)

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23
24
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